



Brownfields Cleanup Revolving Loan Fund Pilot *McKeesport, PA*

Outreach and Special Projects Staff (5105)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

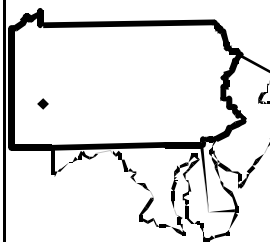
BACKGROUND

The City of McKeesport is located in the Monongahela River Valley of Allegheny County. This region was once the center of the United States steel-making industry. In the 1970s and 1980s, the economy of the region experienced a precipitous decline. The results of this economic shift, include high unemployment and poverty rates (13.7 percent and 24.2 percent respectively) and the underutilization or abandonment of many formerly active industrial and commercial sites. Today, the City of McKeesport contains approximately 175 acres of brownfields. In general, these properties have good access to public transportation or are within walking distance from the City's low income and minority neighborhoods. Revitalization of these sites would provide job opportunities to the residents of the poorest areas of the City. McKeesport received an assessment pilot with Clairton and Duquesne in 1999.

BCRLF OBJECTIVES

The objectives of the McKeesport BCRLF program are to eliminate blight, create jobs, increase the tax base of the City, and curtail the exploitation of farmland greenfields and the proliferation of

PILOT SNAPSHOT



McKeesport, PA

Date of Announcement:
July 2000

Amount: \$500,000

BCRLF Target Area:
City of McKeesport

Contacts:

Community Development
Director
(412) 657-5020

Region 3 BCRLF
Coordinator
(215) 814-3246

Visit the EPA Region 3 Brownfields web site at:
www.epa.gov/reg3hwmd/brownfld/hmpage1.htm

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields>

suburban sprawl.

FUND STRUCTURE AND OPERATIONS

The Redevelopment Authority of the City McKeesport (RACM) will be the lead agency and serve as fund manager. The site manager has not been designated.

McKeesport will contribute in-kind services to maximize loan value. The City expects to make two or three loans of \$100,000 to \$250,000 to prospective landowners or developers in the three-year pilot period. The term of each loan will range between two and seven years. The interest rate will be determined on a loan-specific basis. Origination fees for the loans will range from zero to two percent. Ten percent of a project's loan value will be retained by the City until the project has been satisfactorily completed. BCRLF loan recipients will be required to participate in the Pennsylvania Land Recycling Program.

LEVERAGING OTHER RESOURCES

Many of the brownfields targeted by the McKeesport BCRLF are in state-designated Keystone Opportunity Zones and/or Enterprise Zones. Available tools for brownfields redevelopment in these areas include, tax abatements on real estate, income tax, sales and use taxes, and corporate income taxes. Other possible sources of funds are the existing EPA Brownfields Assessment Demonstration Pilot grant fund, Allegheny County and Pennsylvania Department of Community and Economic Development's loan and grant programs, and local banking and lending institutions.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
